

# Redundancy Payments Scheme

## 1. Purpose

The following scheme sets out Lancashire County Council's approach to calculating redundancy payments.

The Council has the discretion to review the scheme from time to time and make changes to the policy on compensation. In accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, where changes are made, the revised scheme will not take effect until one month has passed from the date of publication.

## 2. Scope

The scheme applies to all employees of the County Council excluding:

- Teachers, whose pay is determined by reference to the School Teachers Pay and Conditions Document
- Employees on "Red Book" terms and conditions in Lancashire Adult Learning

Separate arrangements apply to Young People's Workers and employees whose terms and conditions of employment fall under the Report of the JNC for Youth and Community Workers (Pink Book) and who are members of the Teachers' Pension Scheme. These arrangements can be found at paragraph 5 (below).

## 3. Redundancy Payment

### Voluntary Redundancy

A scale of enhanced compensation payments will apply in respect of employees whose service is terminated because of voluntary redundancy after at least 104 weeks of reckonable (continuous) service.

The payment will be calculated in accordance with the terms of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and will be based upon the statutory redundancy payments scale with the entitlement in terms of the number of weeks payable being multiplied by a factor of 1.8, subject to a maximum of 54 weeks (see table below).

Completed year of continuous service	Statutory entitlement	Multiplier
Up to age 21	½ week's pay	1.8
From age 22 to 40	1 week's pay	1.8
From age 41	1 ½ weeks' pay	1.8

## Compulsory Redundancy

Redundancy compensation payments in respect of employees whose service is terminated because of compulsory redundancy after at least 104 weeks of reckonable (continuous) service will be calculated as follows (subject to a maximum of 30 weeks):

Completed year of continuous service	Statutory entitlement
Up to age 21	½ week's pay
From age 22 to 40	1 week's pay
From age 41	1 ½ weeks' pay

### Notes applicable to both voluntary and compulsory redundancy payment schemes:

Continuous employment will be the aggregation of all continuous Local Government and related employment defined within the Redundancy Payments (Continuity of Employment in Local Government) (Modification) Order 1999 (as amended).

Reckonable years are counted backwards from the relevant date (i.e. the date on which employment terminates or, where a payment in lieu of notice applies, the date upon which the notice period would have expired). A maximum of 20 completed years will apply.

Payments will be based upon an employee's actual week's pay.

A week's pay does not include other payments unless these are contractual.

## 4. Pension Benefits

Under the Local Government Pension Scheme Regulations, a member of the scheme whose service is terminated because of redundancy and who is aged 55 or over with at least 3 months membership, is entitled to immediate payment of pension benefits.

Note:

The above provisions relate only to employees who are subject to the Local Government Pension Scheme Regulations.

## **5. Young People's Workers within the Teachers' Pension Scheme**

The following compensation arrangements will apply to Young People's Workers who are members of the Teachers' Pension Scheme and whose employment is terminated due to redundancy after at least 104 weeks of reckonable continuous service.

### **Staff over 55 whose employment is terminated on the grounds of redundancy:**

Redundancy payments will be calculated in line with the Council's Redundancy Payments Scheme (see paragraph 3 above) in operation at the time of the offer. Under the provisions of the Teachers' Pension Scheme actuarially reduced pension benefits may be accessed from the date of termination.

### **Staff under 55 whose employment is terminated on the grounds of redundancy:**

Redundancy payments will be calculated in line with the Council's Redundancy Payments Scheme (see paragraph 3 above) in operation at the time of the offer.